

## **DECISION MEMORANDUM**

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: KRISTINE SASSER  
DEPUTY ATTORNEY GENERAL**

**DATE: APRIL 12, 2013**

**SUBJECT: IDAHO POWER'S REQUEST TO AMEND ITS FIRM ENERGY SALES  
AGREEMENT WITH CLARK CANYON, CASE NO. IPC-E-13-07**

On March 20, 2013, Idaho Power Company filed a Motion to Amend its Firm Energy Sales Agreement (Agreement) with Clark Canyon, LLC (Clark Canyon) dated May 20, 2011. The amendment provides for a revised first energy and scheduled operation date, a right of first refusal to purchase the project, the payment of delay liquidated damages, and the continued maintenance of delay damage security.

### **THE AMENDMENTS**

The Agreement entered into on May 20, 2011, contains a First Energy Date of November 1, 2012, and a Scheduled Operation Date of March 31, 2013. On or about December 11, 2012, Clark Canyon requested an extension of its First Energy Date to November 30, 2013, and an extension of its Scheduled Operation Date to December 31, 2013. The amendment also adds a provision granting Idaho Power a first right of purchase should the facility be sold and provides for payment of liquidated damages and continued maintenance of delay security.

Idaho Power asserts that the amendment is fair and equitable and in the public interest. The Company maintains that the avoided cost rates contained in the Agreement are substantially similar to the avoided cost rates that the project would receive if it entered into a new contract at today's rates. Idaho Power further states that the existing Agreement splits renewable energy credits equally between the Company and the project.

The amendment states that Clark Canyon will pay \$211,500 in delay liquidated damages and maintain the posting of liquid financial security in the amount of \$211,500 with an expiration no sooner than April 30, 2014.

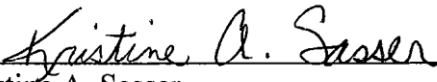
Idaho Power requests that its Motion be processed without further procedure or, in the alternative, as expeditiously as possible by Modified Procedure pursuant to Commission Rules of Procedure 201-204. IDAPA 31.01.01.201-.204.

**STAFF RECOMMENDATION**

Staff recommends that the case be processed by Modified Procedure.

**COMMISSION DECISION**

Does the Commission wish to process this case under Modified Procedure?

  
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Kristine A. Sasser  
Deputy Attorney General

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